

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

916) 323-0267



July 9, 1984

ALL-COUNTY LETTER NO. 84-67

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY AUDITORS  
ALL COUNTY FISCAL OFFICERS  
ALL COUNTY ADMINISTRATIVE SERVICE OFFICERS

SUBJECT: QUARTERLY REPORT OF RECOVERIES OF OVERPAYMENTS (AFDC) - FORM SSA 4972

REFERENCE: ALL-COUNTY LETTERS 83-125 and 84-09

The Department has received numerous inquiries concerning funding for the development, implementation and maintenance of systems (computer or manual) to provide the information required to complete the Form SSA-4972. Although no funding is currently budgeted, the Department is aware of the problem and is currently developing cost figures for inclusion in the November 1984 subvention. In order to aid us in developing a realistic cost estimate, we are requesting that you complete and return the attached survey within two weeks of receipt of this letter.

Action Transmittal (AT) No. SSA-AT-84-2, dated February 21, 1984 has been received by this Department and provides some clarification and modification to previous instructions. Additional clarification was received in response to our letter of March 26, 1984 to the Office of Family Assistance (OFA) in Washington, D.C. and in a telephone conversation between our Department and OFA.

The clarification is as follows:

1. Only those state agencies which requested and were granted a waiver pursuant to Section 2321(b) of Public Law (PL) 97-35 may use a beginning date later than October 1, 1981 for reporting recovery activities. Section 2321(b) provided that a state which could not comply (because of state law) with the requirements of PL 97-35, could request a waiver. If such waiver was granted, implementation would "become effective beginning with the first month beginning after the close of the first session of such State Legislature ending on or after October 1, 1981." The State Department of Social Services (SDSS) requested a waiver to delay implementation of certain provisions of PL 97-35. The Department of Health and Human Services granted California a waiver to delay implementation of Section 2318, Adjustment for incorrect payments until March 1, 1982.

Based on this waiver, the data required on the initial report (Form SSA 4972) should have been retroactive to March 1, 1982 instead of October 1, 1981 as requested in All-County Letter (ACL) No. 84-09 dated January 17, 1984. For those counties who did not report as of March 1, 1982, no adjustment report is required. We regret the inconvenience and additional workload at the county level caused by the instruction to report the additional five months of retroactive data.

2. Recovery of overpayments does not include child support collections.
3. Overpayment cases and amounts are to be written off in accordance with state laws and/or policies. SDSS is interpreting "written-off" to mean taken off the books so that no collection activities will take place. Counties may continue to close repayment accounts receivable in accordance with Fiscal Handbook Sections 25-475 and 25-480 as issued August 23, 1979. The Department, however, is not interpreting "written-off" to mean that should the recipient come back on AFDC, recoupment (grant decrease) will not take place. This creates a situation where the debt may be written off but the record cannot be destroyed.
4. The reports are to include overpayments which were identified after October 1, 1981 no matter if the overpayment occurred prior to or subsequent to October 1, 1981.
5. When additional overpayments are identified during the quarter for a case included in the balance on Line 1, the amount of the newly identified overpayment is reported on Line 2, but the case count is not included in Line 2 because it is already included in the count on Line 1.
6. A case which has had a grant reduction during the quarter but is a discontinued case at the end of the same quarter will be reported as a former case at the end of the quarter on Line 7. The amount of the grant reduction is to be reported on Line 3, Column 3. Any cash collected from the recipient during that quarter will be reported on Line 4, Column 4 and the case count on Line 4, Column 2. If no cash was collected during the quarter, report the case count on Line 4, Column 2 for the grant reduction reported on Line 3, Column 3.

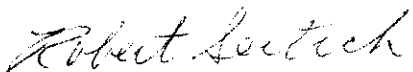
For a case which had both a grant reduction and a cash collection during the quarter and is a discontinued case at the end of the same quarter, report only one case count on Line 4, Column 2. Footnote Line 3, Column 3 and Line 4, Column 2 to reflect the amount of dollars and the number of cases, respectively. The footnote should read, "Includes \$ \_\_\_\_\_ and \_\_\_\_\_ number of cases which changed status from 'current' to 'former'." If there are no such cases enter "0s" in the footnote.

For a case which had both a grant reduction and a cash collection during the quarter and is a current case at the end of the same quarter, report one case count in Line 3, Column 1 and a second case count in Line 4, Column 1. The case is counted once for each method of recovery.

7. Lines 1 and 7, which provide for balance of overpayment cases on hand at the beginning and end of the report period, need not be completed until the report for the period ending December 31, 1984 which is due in January 1985. For those counties which have been able to fully account for their overpayment balance, it is recommended that they continue to report this information.
8. Caseload movement between 'current' status and 'former' status must continue to be reflected on Line 7 of the report. The method is described on page 2 of ACL No. 84-09, dated January 17, 1984.
9. When information is received which increases or decreases a previously reported overpayment, the adjustment should be reflected in Line 2 since the adjustment is identified during the quarter being reported upon.

The SDSS has again been notified that some counties are submitting their reports directly to Washington, D.C. Please review ACL No. 84-09 which provides the correct mailing address. The address on the back of the Form SSA 4972 is provided for submission of only the statewide report which is submitted by SDSS.

If there are any questions regarding the clarification of the reporting instructions, please call Willa Wallen at (916) 323-0267 or ATSS 473-0267. Any questions regarding the survey should be referred to Sally Al-Dmour at (916) 323-2384 or ATSS 473-2384.



ROBERT T. SERTICH  
Deputy Director  
Administration

cc: CWDA

## DEPARTMENT OF SOCIAL SERVICES



July 9, 1984

County: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Phone: \_\_\_\_\_

## Questionnaire on Form SSA 4972

The Department is attempting to estimate the administrative costs that have already been incurred and will be incurred to complete the Quarterly Report of Recoveries of Overpayments (AFDC) - Form SSA 4972 in an effort to have funds budgeted to offset these costs, as necessary. Your assistance in developing the estimate by providing the following information would be appreciated. Please respond to the name and address below no later than July 25, 1984. Use additional sheets as needed for your responses. If you are unable to answer any of the questions, please state why.

Please show total costs regardless of funding source. Provide a description for all activities shown, and specify whether activities and costs are experienced on a one-time or ongoing basis. If EDP costs are involved, please show costs for processing and staff time. If a new EDP system is being developed or a current one modified, please explain. For staff costs, show hours of work required by each worker classification and include hourly salaries. Please identify any proposals for additional staff.

1. Briefly describe your current system for overpayment accounting and indicate what data requested on the SSA 4972 you can accurately obtain within your current system.

2. Please estimate the total costs incurred by your department to complete the initial report for the period October 1, 1981 - December 31, 1983: \$\_\_\_\_\_.

Activities Required

Cost

Manual

Automated

3. Please estimate the total cost incurred by your department to complete the quarterly report for the period January 1, 1984 - March 31, 1984: \$\_\_\_\_\_.  
(Do not duplicate activities or costs shown in your response to question 2 that were included on a one-time basis.)

Activities Required

Cost

Manual

Automated

4. What are the minimum activities that will be required to enable you to provide accurate data for all the components on subsequent quarterly reports? Do not duplicate activities shown in questions 2 or 3 that occurred on a one-time basis. (NOTE: Completion of lines 1 and 7 on Form 4972 will not be required until the report for quarter ending December 31, 1984. Line 1 must reflect the balance of all potentially collectible overpayments. Please note any additional activities and costs that will be incurred as a result of the completion of lines 1 and 7.)

Activities Required

Cost

Manual

1984-85   1985-86

Automated

5. What is the first quarterly report for which you anticipate your system modifications (as described in #4) will enable you to provide all the required data?
6. Please indicate any additional activities/materials, etc. not mentioned above that could result in additional costs and provide any associated cost information.

Thank you for your help.

Your response and any related questions should be addressed to:

Sally Al-Dmour  
Estimates Branch  
Department of Social Services  
744 P Street, Mail Station 12-90  
Sacramento, CA 95814

Telephone (916) 323-2384 ATSS 8-473-2384